



1300 I Street, NW, Suite 400 West
Washington, DC 20005

Phone 202 515-2595
Fax 202 336-7922
alan.buzacott@verizon.com

May 23, 2012

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208

Dear Ms. Dortch:

On May 21, 2012, Chris Miller and the undersigned of Verizon met with Deena Shetler, Travis Litman, Rhonda Lien, Randy Clarke, Doug Sloten, Dan Ball, Elizabeth Anderson, Athula Gunaratne, and Victoria Goldberg of the Wireline Competition Bureau to discuss the calculation of eligible recovery under the Commission's intercarrier compensation reform rules.

In the meeting, we outlined the steps that Verizon will take to calculate eligible recovery. Those steps include identifying the total amount that the Verizon incumbent LECs billed for switched access and reciprocal compensation during the 12 months of the Fiscal Year; identifying the amount that customers paid to Verizon for switched access and reciprocal compensation; adjusting both the billed and paid amounts to exclude non-service related charges such as late payment charges; and adjusting the paid amount to exclude payments for bills issued prior to the Fiscal Year. Verizon will then use the resulting billed and paid amounts to calculate a factor that represents the amount paid as a percentage of the amount billed during the Fiscal Year. Finally, Verizon will multiply that factor by the billed demand for each rate element to calculate the demand quantities that it will use to determine eligible recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Buzacott".

cc: Deena Shetler
Travis Litman
Rhonda Lien

Randy Clarke
Doug Sloten
Dan Ball

Elizabeth Anderson
Athula Gunaratne
Victoria Goldberg